

## Scope of Analysis

In its analysis, the Commission was directed to consider “rate structures, policies, and measures, including decoupling, in place in other states and countries that promote a mix of generation involving renewable energy sources and demand reduction.” Demand reduction encompasses a broad variety of potential options, including demand response, energy efficiency, distributed generation, and dynamic or time-based rate options. Demand response refers to short-term or long-term actions by consumers, usually as a result of price signals, to reduce or shift energy usage from higher to lower-cost periods of time. The adoption of appropriate regulatory policies will ideally result in both a delay in the need for new expensive, and often controversial, electric generation and transmission projects and a reduction in emissions, including greenhouse gases, by electric power suppliers while maintaining adequate, reliable electric service.

Seventeen persons, entities, or organizations submitted comments in response to the Commission’s February 15, 2008 Order. Those comments provided more than thirty discrete recommendations regarding rate structures, policies, and measures that could promote or hinder a mix of generation sources and demand reduction in North Carolina.

On May 12, 2008, the Commission issued an Order identifying the following list of eighteen rate structures, policies, and measures to be considered in its analysis and sought further comment on whether these rate structures, policies, and measures should be implemented in North Carolina:

- Decoupling;
- Time-of-use rates;
- Real-time pricing;
- Inclining block rates;
- Declining block rates;
- Business recruitment rates;
- Fuel-switching rates;
- All-electric home rates;
- All-electric HVAC/appliance rates;
- Security lighting rates;
- Net metering;
- Standby rates;
- Demand-response rates, including the ability for customers to aggregate load from various sites/accounts;
- Direct load control;
- Programmable thermostats, including programmable communicating thermostats;
- Automated/remote meter reading;
- Advanced/interval metering; and
- Automated metering infrastructure, including two-way communications, advanced metering and related software.